

**PUBLIC HEARING AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
AUGUST 19, 2013
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC**

I. Administrative Items

A. Call to Order

II. Hearing Testimony

A. Case No. C2011140 – James R. Hovis, Jr., CPA, #17242

III. Adjournment

NOTICE OF CONTINUANCE

IN THE MATTER OF:

James R. Hovis, Jr., #17242
Respondent

RE: Case #C2011140

Upon request of Respondent, for good cause shown, and with the consent of opposing party, the Hearing in the above captioned contested case is continued to August 19, 2013, at 10:00 a.m.

This the 23 day of April, 2013.



BY: _____

President

North Carolina State Board of
Certified Public Accountant Examiners

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Case: # C2011140

IN THE MATTER OF:
James R. Hovis, Jr., #17242
Respondent

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners ("Board") has received evidence which, if admitted at hearing, would show that:

1. Respondent James R. Hovis, Jr. (hereinafter "Respondent"), is the holder of a certificate of qualification admitting Respondent to practice as a Certified Public Accountant in North Carolina ("Certificate"). Respondent is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. At all times relevant, Respondent was an owner of James R. Hovis, Jr. Certified Public Accountant, PLLC (hereinafter "Firm"), and was responsible for the Firm's operations, including the Firm's payroll tax deposits and retirement accounts.
3. The Firm offered to certain employees a retirement plan with an employer match (hereinafter "Retirement Plan"). The Board has received information that, if proven, shows that for a period of time, Respondent failed to fund the Retirement Plan.
4. It is further alleged that, beginning in March of 2006, the Firm, at the direction of the Respondent, failed to timely pay to the Internal Revenue Service ("IRS") taxes that had been withheld from its employees' pay.
5. The Firm's IRS tax transcript (hereinafter "Transcript") reveals that Respondent failed to timely remit payment for most of the quarters between March 2006 and September 2010.
6. The Board asserts that employee taxes that have been withheld are held in trust by the employer. The Firm's failure to timely remit those funds to the IRS constitutes a conversion of those trust funds.

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James R. Hovis, Jr.

7. According to the Transcript, Respondent also failed to timely file the Firm's quarterly 941 returns on numerous occasions. Respondent contends that on at least some of those occasions, he had timely filed, but, due to computer errors, his filing was not properly recorded.
8. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent's actions as set out above constitute violations of NCAC 08N .0201, .0203(a), and .0207.

The discipline which the Board may impose on Respondent for violation of the aforementioned statutes and rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000.00 per infraction.

Pursuant to N.C. Gen. Stat. § 150B-38, you are entitled to a public hearing on this matter. This notice is to advise you that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh, on April 23, 2013, at 10:00 a.m. If you are not present, a decision may be reached in your absence, and you may be deemed to have waived your right to a hearing.

Pursuant to N.C. Gen. Stat. § 150B-40(d), you may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

If you have questions, or additional pertinent evidence, or proof of compliance, or desire to attempt to resolve this matter informally, you may contact the Board's Staff Attorney, Frank Trainor, (919) 715-9185, ftrainor@nccpaboard.gov, or the Board's Executive Director, Robert N. Brooks, (919) 733-1425, rbrooks@nccpaboard.gov.

This notice is issued the 17th day of December, 2012.



BY: _____

Professional Standards Committee Chairman
North Carolina State Board of
Certified Public Accountant Examiners